
OLR Bill Analysis

sHB 5568

AN ACT CONCERNING TARGETED HEALTH AREAS.

SUMMARY:

This bill requires the public health commissioner to designate up to 10 municipalities as targeted health areas (THAs) and specifies that physicians and physician offices there are eligible for loans and grants under the Small Business Express Program (Express).

EFFECTIVE DATE: Upon passage

DESIGNATING THAs

The bill requires the public health commissioner to designate, by December 1, 2013, and within available appropriations, up to 10 municipalities as THAs, in consultation with the social services commissioner and a representative of the Connecticut State Medical Society. The commissioner may designate a municipality as a THA if it has a (1) medically underserved population or (2) high chronic disease rate. Further, she and the parties with whom she must consult must identify any medical specialty needed in the THAs.

EXPRESS ASSISTANCE

Eligibility

The bill specifies that licensed physicians and physician offices in THAs qualify for Express financing if they meet one of two sets of criteria. Under the first set, a physician or physician offices qualify if they practice medicine in a THA and actively provide (1) primary care for adults or children or (2) any medical specialty the commissioner determines the THA needs. The physician must also be current on all state and local taxes and be in good standing with the Public Health Department.

As under existing law, a physician qualifies for Express financing if

she or he:

1. employs no more than 100 people during the prior 12 months,
2. is based and operates in Connecticut,
3. has been registered to do business here for at least 12 months,
4. is current on all state and local taxes, and
5. is in good standing with all state agencies.

Types of Assistance

Licensed physicians and physician offices qualify for financing under the Department of Economic and Community Development's (DECD's) Express Program, which provides revolving loans, job creation incentive loans, and matching grants. Table 1 outlines the program's features, including eligible expenditures and terms and conditions.

Table 1: Express Program

<i>Characteristic</i>	<i>Financial Assistance</i>		
	<i>Revolving Loans</i>	<i>Job Creation Incentives</i>	<i>Matching Grants</i>
Type of Assistance	Loan	Deferrable or forgivable loans for borrowers that increase and maintain jobs	Matching grants for capital
Purpose	Support small business growth	Support hiring goals	Provide capital
Component-Specific Priority	<ul style="list-style-type: none"> • Businesses creating new jobs lasting at least 12 consecutive months • Economic-base industries 	Economic-base businesses	<ul style="list-style-type: none"> • Economic-base businesses • Businesses likely to use grants to maintain job growth
Eligible expenditures	<ul style="list-style-type: none"> • Acquiring machinery and equipment • Construction or leasehold improvements • Relocation costs • Working capital • Other commissioner-approved business expenses 	<ul style="list-style-type: none"> • Training • Marketing • Working capital • Other commissioner-approved expenses that support job creation 	<ul style="list-style-type: none"> • New or ongoing training • Working capital • Acquiring machinery and equipment • Construction or leasehold improvements • Relocation within the state • Other commissioner-approved business-related expenses
Terms or conditions	<ul style="list-style-type: none"> • \$10,000 to \$100,000 loans 	<ul style="list-style-type: none"> • \$10,000 to \$300,000 forgivable loans 	<ul style="list-style-type: none"> • \$10,000 to \$100,000 grants

Characteristic	Financial Assistance		
	Revolving Loans	Job Creation Incentives	Matching Grants
	<ul style="list-style-type: none"> • Up to 4% interest • Maximum 10-year term • DECD reviews and approves loan terms, conditions, and collateral requirements to prioritize job growth and retention 	<ul style="list-style-type: none"> • Commissioner may defer loan payments based on her assessment of the business' attainment of job creation goals • Commissioner may also forgive all or part of a loan based on a business (1) attaining job creation goals or (2) maintaining an increased number of jobs for at least 12 consecutive months • DECD reviews and approves loan terms, conditions, and collateral requirements to prioritize job creation and retention 	<ul style="list-style-type: none"> • Business must match state grant • DECD prioritizes based on likelihood of applicant maintaining job growth

COMMITTEE ACTION

Commerce Committee

Joint Favorable Substitute

Yea 19 Nay 0 (03/14/2013)